

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7888

BILL NUMBER: HB 1837

DATE PREPARED: May 3, 2001

BILL AMENDED: Apr 29, 2001

SUBJECT: Transfer of Structured Settlement Payment Rights.

FISCAL ANALYST: Jim Landers

PHONE NUMBER: 232-9869

FUNDS AFFECTED: X

**GENERAL
DEDICATED
FEDERAL**

IMPACT: State

Summary of Legislation: (CCR Amended) The bill adds provisions to the Indiana civil law and procedure regulating transfers of payment rights under structured settlement agreements. The bill defines "structured settlement" as periodic payment of damages established by a settlement or court judgment in resolution of a tort claim for personal injury. It requires certain disclosures and court approval of an agreement to transfer structured settlement payment rights. The bill specifies express court findings required for approval of a transfer of structured settlement payment rights. The bill specifies that failure of a transferee to provide a disclosure to a payee as required is an incurable deceptive consumer sales act. The bill makes conforming amendments.

Effective Date: July 1, 2001.

Explanation of State Expenditures:

Explanation of State Revenues: (Revised) The bill requires that a transferee of structured settlement payments provide to the payee (receiving structured settlement payments) and other interested parties a disclosure statement detailing the transfer agreement between the payee and transferee. This must be done not less than 10 days before the payee (receiving structured settlement payments) becomes obligated under the transfer agreement. The bill further specifies that failure of a transferee to timely provide a true and complete disclosure statement to a payee is an incurable deceptive act under state law. Under current statute, a person who commits an incurable deceptive act is subject to a civil penalty of a fine of not more than \$500 for each violation. The Attorney General, acting in the name of the state, has the exclusive right to petition for recovery of such a fine.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Insurance; Attorney General.

Local Agencies Affected:

Information Sources: Liz Carroll, Deputy Director, Department of Insurance, (317) 232-2406.